#### STATUTORY INSTRUMENTS

## 2009 No. 1804

# The Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009

## PART 2

## FORMALITIES OF DOING BUSINESS

## Formalities of doing business under the law of England and Wales or Northern Ireland

**4.** Sections 43 to 47 apply to LLPs, modified so that they read as follows—

#### "LLP contracts

- **43.**—(1) Under the law of England and Wales or Northern Ireland a contract may be made—
  - (a) by an LLP, by writing under its common seal, or
  - (b) on behalf of an LLP, by a person acting under its authority, express or implied.
- (2) This is without prejudice to section 6 of the Limited Liability Partnerships Act 2000 (c. 12) (members as agents).
- (3) Any formalities required by law in the case of a contract made by an individual also apply, unless a contrary intention appears, to a contract made by or on behalf of an LLP.

## **Execution of documents**

- **44.**—(1) Under the law of England and Wales or Northern Ireland a document is executed by an LLP—
  - (a) by the affixing of its common seal, or
  - (b) by signature in accordance with the following provisions.
  - (2) A document is validly executed by an LLP if it is signed on behalf of the LLP—
    - (a) by two members, or
    - (b) by a member of the LLP in the presence of a witness who attests the signature.
- (3) A document signed in accordance with subsection (2) and expressed, in whatever words, to be executed by the LLP has the same effect as if executed under the common seal of the LLP.
- (4) In favour of a purchaser a document is deemed to have been duly executed by an LLP if it purports to be signed in accordance with subsection (2).

A "purchaser" means a purchaser in good faith for valuable consideration and includes a lessee, mortgagee or other person who for valuable consideration acquires an interest in property.

- (5) Where a document is to be signed by a person on behalf of more than one LLP, or on behalf of an LLP and a company, it is not duly signed by that person for the purposes of this section unless he signs it separately in each capacity.
- (6) References in this section to a document being (or purporting to be) signed by a member are to be read, in a case where that member is a firm, as references to its being (or purporting to be) signed by an individual authorised by the firm to sign on its behalf.
- (7) This section applies to a document that is (or purports to be) executed by an LLP in the name of or on behalf of another person whether or not that person is also an LLP.

#### Common seal

- **45.**—(1) An LLP may have a common seal, but need not have one.
- (2) An LLP which has a common seal shall have its name engraved in legible characters on the seal.
  - (3) If an LLP fails to comply with subsection (2) an offence is committed by—
    - (a) the LLP, and
    - (b) every member of the LLP who is in default.
- (4) A member of an LLP, or a person acting on behalf of an LLP, commits an offence if he uses, or authorises the use of, a seal purporting to be a seal of the LLP on which its name is not engraved as required by subsection (2).
- (5) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale.
  - (6) This section does not form part of the law of Scotland.

#### **Execution of deeds**

- **46.**—(1) A document is validly executed by an LLP as a deed for the purposes of section 1(2)(b) of the Law of Property (Miscellaneous Provisions) Act 1989 (c. 34) and for the purposes of the law of Northern Ireland if, and only if—
  - (a) it is duly executed by the LLP, and
  - (b) it is delivered as a deed.
- (2) For the purposes of subsection (1)(b) a document is presumed to be delivered upon its being executed, unless a contrary intention is proved.

## **Execution of deeds or other documents by attorney**

- **47.**—(1) Under the law of England and Wales or Northern Ireland an LLP may, by instrument executed as a deed, empower a person, either generally or in respect of specified matters, as its attorney to execute deeds or other documents on its behalf.
- (2) A deed or other document so executed, whether in the United Kingdom or elsewhere, has effect as if executed by the LLP.".

## Formalities of doing business under the law of Scotland

5. Section 48 applies to LLPs, modified so that it reads as follows—

## "Execution of documents by LLPs: Scotland

**48.**—(1) The following provisions form part of the law of Scotland only.

- (2) Notwithstanding the provisions of any enactment, an LLP need not have a common seal.
  - (3) For the purposes of any enactment—
    - (a) providing for a document to be executed by an LLP by affixing its common seal, or
    - (b) referring (in whatever terms) to a document so executed,

a document signed or subscribed by or on behalf of the LLP in accordance with the provisions of the Requirements of Writing (Scotland) Act 1995 (c. 7) has effect as if so executed.".

#### Official seal for use abroad

6. Section 49 applies to LLPs, modified so that it reads as follows—

#### "Official seal for use abroad

- **49.**—(1) An LLP that has a common seal may have an official seal for use outside the United Kingdom.
- (2) The official seal must be a facsimile of the LLP's common seal, with the addition on its face of the place or places where it is to be used.
- (3) The official seal when duly affixed to a document has the same effect as the LLP's common seal.

This subsection does not extend to Scotland.

- (4) An LLP having an official seal for use outside the United Kingdom may—
  - (a) by writing under its common seal, or
  - (b) as respects Scotland, by writing subscribed in accordance with the Requirements of Writing (Scotland) Act 1995,

authorise any person appointed for the purpose to affix the official seal to any deed or other document to which the LLP is party.

- (5) As between the LLP and a person dealing with such an agent, the agent's authority continues—
  - (a) during the period mentioned in the instrument conferring the authority, or
  - (b) if no period is mentioned, until notice of the revocation or termination of the agent's authority has been given to the person dealing with him.
- (6) The person affixing the official seal must certify in writing on the deed or other document to which the seal is affixed the date on which, and place at which, it is affixed.".

#### Other matters

7. Sections 51 and 52 apply to LLPs, modified so that they read as follows—

## "Pre-incorporation contracts, deeds and obligations

- **51.**—(1) A contract that purports to be made by or on behalf of an LLP at a time when the LLP has not been formed has effect, subject to any agreement to the contrary, as one made with the person purporting to act for the LLP or as agent for it, and he is personally liable on the contract accordingly.
  - (2) Subsection (1) applies—

- (a) to the making of a deed under the law of England and Wales or Northern Ireland, and
- (b) to the undertaking of an obligation under the law of Scotland, as it applies to the making of a contract.

## Bills of exchange and promissory notes

**52.** A bill of exchange or promissory note is deemed to have been made, accepted or endorsed on behalf of an LLP if made, accepted or endorsed in the name of, or by or on behalf or on account of, the LLP by a person acting under its authority.".